

# Insuring against mold problems

**By Marilyn Kennedy Melia**

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Homeowners trust their insurance to pay if a burglar sneaks in and steals. But what security do they have if the intruder is toxic mold?

Because of a few high-profile cases in recent years, homeowners may be more fearful of mold's power to steal their physical and financial health than they are of any thief.

Luckily, experts say the threat of such an all-out loss is minimal. However, because mold reportedly has taken root in some homes, sickening residents and costing thousands to eradicate, owners are understandably worried.

Denise Payton, personal lines manager at Key Insurance Agency in Hinsdale, says that the calls she's received concerning mold have mostly been from owners who wonder about their coverage, especially if their homeowners insurance company sent them a letter detailing policy exclusions or limits on mold.

And, fearing the costs involved in mold claims, some companies have stepped away from any mold-related liability in the last couple of years. But most companies still offer some type of coverage, says Don Griffin, assistant vice president of the Property Casualty Insurers Association of America, a Des Plaines-based trade group.

When there is coverage, it's likely limited, to \$5,000 or \$10,000, for example, says Andy Sweets, an agent with Crop Insurance Agency, Morton Grove. Moreover, coverage kicks in only if mold begins from an event that a homeowner policy also covers, such as a burst water pipe.

Some companies that don't cover mold as a standard offering will do so if customers pay extra for a special endorsement to their policy. That extra charge varies according to the company, but it may be about 5 percent of the annual premium, Sweets says.

Insurers usually pay only if mold is linked to another covered event, and that event will almost certainly involve water entering the house. Water must be evident wherever mold begins, because it grows in a moist environment, experts say.

Musty odors have been wafting through houses for decades, but one reason mold has got-

ten more attention lately is because modern building practices that make homes more energy efficient also keep areas moist, says Elisa Larkin, founder of Mold Relief, a non-profit based in Norman, Okla., that provides small grants to mold victims.

From 1987 through 2003, only 318 mold-related residential claims had been filed in Illinois, while several thousand have been filed in Florida, California and Texas, according to Policy Holders of America, an advocacy group in Austin, Texas.

The reasons for fewer mold incidents here are Midwesterners' choices of building materials and pipes that are better insulated against freezing and subsequent bursting, says Melinda Ballard, the group's founder.

Recently, the National Academies of Science issued a report that found that asthma and respiratory problems can be aggravated by mold and dampness, but there was not enough evidence to link mold to a range of other health complaints.

Still, real estate agents say any evidence of a black slimy substance in a home can scare potential buyers.

About 1 or 2 percent of the buyers who order home inspections also order a mold inspection, says Jarrod Spadino, owner of Windy City Home Inspections, Highland Park.

A home inspection and a mold inspection are different procedures, Spadino explains. While a home inspector should point out spaces where water might penetrate and evidence of prior water damage, a mold inspection involves testing for toxic mold spores.

Mold is present in some forms in all spaces, says Spadino, but specialized mold inspections look to uncover the toxic variety.

However, when he's conducted specialized mold inspections, Spadino reports he has never yet uncovered the toxic mold that has made headlines for getting people sick and being stubbornly difficult to remove.

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